

P-421/CP-87-506 REQUIRING COST STUDIES AND PROPOSED RATES AND  
ESTABLISHING A COMMENT PERIOD

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Patrice Vick	Commissioner

In the Matter of the Petition of Certain  
Subscribers in the Buffalo Exchange for  
Extended Area Service to the  
Minneapolis/St. Paul Metropolitan Calling  
Area

ISSUE DATE: September 13, 1990

DOCKET NO. P-421/CP-87-506

ORDER REQUIRING COST STUDIES AND  
PROPOSED RATES AND ESTABLISHING A  
COMMENT PERIOD

**PROCEDURAL HISTORY**

On June 26, 1990, the Commission issued its ORDER AFTER RECONSIDERATION OF JUNE 20, 1989 ORDER IN LIGHT OF MINNESOTA STATUTE § 237.16 (1990) in the consolidated Metro EAS Case, Docket No. P-421, 405, 407, 430, 426, 520, 427/CI-87-76. In its Order, the Commission reviewed the 16 petitions for Extended Area Service (EAS). Among other things, the Commission found that four exchanges including Buffalo met the adjacency requirement of Minn. Stat. § 237.161 and directed Northwestern Bell Telephone Company (NWB), the telephone company providing local service to Buffalo, to file traffic studies that would allow the Commission to determine whether the traffic requirement of the new EAS legislation was satisfied. Minn. Stat. § 237.16 (1990)

On August 10, 1990 NWB filed its traffic study for the Buffalo exchange.

On September 4, 1990, the Commission met to consider this matter.

**FINDINGS AND CONCLUSIONS**

The new EAS legislation provides that a request to install EAS will be granted when the following three criteria have been met:

- (1) the petitioning exchange is contiguous to an exchange or local calling area to which extended area service is requested in the

petition.

(2) at least 50 percent of the customers in the petitioning exchange make one or more calls per month to the exchange or local calling area to which extended area service is requested, as determined by a traffic study; and

(3) polling by the Commission shows that a majority of the customers responding to a poll in the petitioning exchange favor its installation, unless all parties and the Commission agree that no polling is necessary. Minn. Stat. § 237.161, subd. 1(a)(1-3) (1990).

### Adjacency

In its June 26, 1990 Order, the Commission has found that the Buffalo exchange is contiguous with the metro calling area and therefore meets the first statutory criterion: adjacency.

### Sufficient Traffic

NWB's traffic study for the Buffalo exchange indicates that 92% of the subscribers in the Buffalo exchange made one or more calls to the metro calling area during the study month. Therefore, the Buffalo petition meets the second statutory criterion: sufficient traffic.

### Sufficient Subscriber Support

The third and final criterion is that a Commission poll of Buffalo subscribers must show that 50% or more of subscribers responding to the poll favor installation of the proposed EAS route.

To enhance the meaningfulness of the poll, the Commission is required to make available to the subscribers the rates to be charged for the proposed EAS. Minn. Stat. § 237.161, subd. 1 (a) (3). Therefore, prior to conducting the poll, the Commission will establish the appropriate rates to include with the polling instrument.

As part of its rate making process, the Commission will direct NWB and the companies serving the existing metro calling area to file cost studies and proposed rates which meet the statutory criteria for such studies and rates. Minn. Stat. § 237.161, subs. 2 and 3. These studies and proposed rates and the comment period outlined in this Order will provide the Commission with the information it needs to determine the EAS rates that will be made available to Buffalo subscribers at the time of the polling.

## **ORDER**

1. Northwestern Bell Telephone Company (NWB), the provider of local exchange service to

the Buffalo exchange, and the telephone companies serving the existing metro calling area shall file cost studies and proposed rates for the proposed EAS between the Buffalo exchange and the metro calling area with the Commission, the Minnesota Department of Public Service (the Department) and the petitioners from the Buffalo exchange within 90 days of the date of this Order.

2. The cost studies and proposed rates filed in response to Ordering Paragraph 1 shall be based upon all the requirements of Minn. Stat. § 237.161, subd. 2 and 3.
3. Within 45 days of the filings required by Ordering Paragraph 1, the Department shall file a report and recommendations on the cost studies and proposed rates. The Department's report shall indicate whether the cost studies meet the requirements of Minn. Stat. § 237.161.
4. Within 20 days after the Department's filing required by Ordering Paragraph 3, any interested party may file comments on the Department's report and recommendation.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster  
Executive Secretary

(S E A L)